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C O N F I D E N T I A L SECTION 01 OF 03 PRAGUE 000509

SENSITIVE SIPDIS

EUR/ERA FOR DEAN AND GIAUQUE, EUR/CE FOR TRATENSEK

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TAGS: PREL PGOV EZ EUN

SUBJECT: UPCOMING CZECH EU PRESIDENCY - FACING TREATY

HURDLES

REF: A. PRAGUE DAILY DATED 7/25/08

¶B. PARIS POINTS DATED 6/20/2008

¶C. PRAGUE DAILY DATED 6/17/2008

¶D. PRAGUE 384

Classified By: Acting Polec Counselor Martina Strong for reasons 1.4 (b) and (d).

11. (SBU) Summary: Czech Prime Minister Topolanek finds himself with little room to maneuver on ratification of the EU Lisbon treaty. Countervailing pressures from his own Civic Democratic Party (ODS), President Klaus, his coalition government, the domestic opposition, and the EU have left Topolanek between the proverbial rock and a hard place. The ongoing Czech Constitutional Court review of the treaty has given Topolanek a temporary reprieve, but the court is expected to rule as early as September. Topolanek's recent statements indicate that he will move forward with ratification of the Lisbon treaty following the court ruling and before the Czech EU presidency. It remains to be seen whether Topolanek manages to engineer a Lisbon treaty for Missile Defense bargain. End Summary.

French and Polish Pressure - Not Well Received

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12. (SBU) Sarkozy has made ratification of the Lisbon treaty by all EU member states a top priority of the French Presidency. However, Czech PM Topolanek rebuffed French pressure during Sarkozy's June visit to Prague, citing the as yet undecided Czech Constitutional Court review of the treaty. Recently, comments by French officials such as FM Kouchner that further EU enlargement (a top priority for the Czech EU Presidency) is not possible without ratification have been condemned by GOCR officials as veiled threats. (Note: While perhaps politically true given French and German opposition to expansion without adoption of the reform treaty, the Czechs maintain that legally expansion is still possible under the existing framework. End Note.)

¶3. (SBU) The other recent ham-fisted Elysee comments that "Mr. Sarkozy won assurances from Polish President Kaczynski that he would personally help to get the treaty ratified by everybody," also have not gone over well with the Czechs. According to PM Topolanek, "France's statements are -- I do not want to say blackmail, but very strong pressure." Polish President Kaczynski did indeed come to visit Czech President Vaclav Klaus on July 24 (Ref. A). It appears, however, that Klaus has not changed his opinion that without action by Ireland, it would be a mistake for ratification to continue in the remaining EU member states.

Topolanek's Domestic Challenges

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14. (C) Prime Minister Topolanek is in a tight spot given the political dynamics within his coalition, but most

particularly within his own Civic Democratic Party (ODS). In order for the GOCR to ratify the Lisbon Treaty, Topolanek needs to muster sufficient support in both houses of the parliament. Support of Topolanek's coalition partners, the Christian Democrats and the Greens, is assured, but the ODS has a strong euroskeptic wing that is generally opposed to the Lisbon Treaty. The Czech Republic's euroskeptic-in-chief, President Klaus is the founder and honorary chairman of ODS and continues to wield considerable influence over the party, especially on EU-related issues. Many ODS MPs and Senators will therefor look to Klaus before the ratification vote. Indeed, a group of euroskeptic ODS Senators sent the Lisbon Treaty to the Constitutional Court for review. In this particular case, however, Topolanek welcomed the delay because he was not prepared politically to wage the ratification battle in the first half of the year.

Constitutional Court and Irish "No" Provide Breathing Room

15. (SBU) The Constitutional Court's decision on the Lisbon Treaty is expected sometime this fall. The review is noteworthy for several reasons: 1) this is the first time the Court is ruling on the constitutionality of an international treaty; 2) the Topolanek government and President Klaus submitted opposing legal briefs to the Court; and 3) the second international agreement that the Court may be asked to review could be the Ballistic Missile Defense Agreement, expected to be ratified later this year. Although the Constitutional Court is not required to rule by a certain dated, Chief Justice Pavel Rychetsky has told Embassy

PRAGUE 00000509 002 OF 003

officials that he would like to conclude this case prior to September 15, when he is expected to take extended medical leave. If the court decides -- as is generally expected -- that the treaty conforms with the Czech constitution, the action would return to the Czech parliament. Any negative verdict, however, would be much more problematic and time consuming for the GOCR, since amending the Czech constitution would be next to impossible in the current highly charged political environment.

16. (SBU) The June 12 Irish referendum "No" vote has both helped and hurt Topolanek. It has drawn attention from Czech ratification hurdles and provided Czech PM Topolanek with some badly needed space on the international scene. However, the Irish "No" has also complicated Topolanek's domestic political calculus, providing new wind for the ODS euroskeptics' sails. Topolanek can no longer argue that the Czech Republic must avoid being the only outlier on the Lisbon Treaty.

Horse Trading on Treaties? Missile Defense for Lisbon

17. (SBU) The notion of a bargain in which ODS votes for the Lisbon treaty are exchanged for some limited opposition CSSD support for missile defense, has been kicked around by politicians and commentators for several months. Topolanek recently linked Lisbon and MD in his public statements, which generated a harsh response from the opposition. Members of Topolanek's cabinet, including DPM Alexandr Vondra and FM Karel Schwarzenberg, have since backpedaled, indicating that the Czech government would act responsibly vis-a-vis the Lisbon Treaty. Topolanek would have a hard time striking such a deal with the opposition CSSD, given that there would be little political benefit for CSSD. Former Finance Minister Bohuslav Sobotka, Deputy CSSD Chairman and Chairman of the Budget Committee, recently confirmed to emboff that CSSD is prepared to vote for the Lisbon Treaty, but a vote for MD would harm CSSD's political prospects. While a deal with CSSD may not be possible, Topolanek may be aiming a "Lisbon treaty for MD deal" at his coalition partners, especially the Greens who are strongly in favor of Lisbon,

18. (SBU) As a result of the Constitutional Court review, the Irish "No," and domestic political realities, the timeline for ratifying the Lisbon Treaty has slipped into the late fall. The fall, however, is already packed, with Senate and regional elections in October, a full legislative agenda, and several potential flashpoints on the parliamentary horizon MD included. In a July 15 meeting, PM Topolanek, President Klaus, DPM Vondra and FM Schwarzenberg reportedly agreed the government would press for a ratification vote "sometime after the (Senate and regional) elections." This leaves the GOCR with a very narrow window of opportunity since Topolanek also is publicly pressing to conclude ratification prior to the Czechs assuming the EU Presidency January 1.

Comment: Strained Cooperation with French Expected, while Heavy Hitters Likely to Deliver on Ratification

19. (SBU) The different attempts by the French to pressure the Czechs on the Lisbon treaty, do not bode well for close cooperation between these two Troika members over the next five months. Indeed, we have seen signs of strain in the public statements of the two countries' leaders, as well as at the working level when the troika was hammering out its 18-month common program this spring. Czech officials noted to Embassy personnel at that time that it had been much easier for them to negotiate with the Swedes than the French.

110. (C) Comment Continued: Domestically Czech PM Topolanek has demonstrated a remarkable capability to deliver on previous key votes. When it comes to the Lisbon Treaty, Topolanek fortunately also has on his side Deputy PM Alexandr Vondra (ODS) and FM Karel Schwarzenberg (Green), two heavy hitters who are both personally committed to making the Czech EU Presidency a success. Since the Lisbon Treaty vote is most uncertain in the Senate, having these two Senators engaging their fellow Senators will be critical. Given the timeline and events outlined above, however, the fight over ratification is likely to slip into November or December - traditionally the busiest time for the incoming EU Presidency country. However, with Vondra at the helm of the Czech EU Presidency preparations, Topolanek has both a trusted political advisor as well as an organizational dynamo who -- we have every reason to expect -- will pull things together

PRAGUE 00000509 003 OF 003

come January 1.
Thompson-Jones